



Transportation Development Districts, Mercer County, New Jersey

Midway between New York City and Philadelphia, Mercer County is home to the New Jersey State capital and Princeton University. A business, education, research, art, and technology center, it offers everything from highly populated communities to charming small towns. With more than 20 percent of its land preserved, the county has an extensive park system and, with a rich colonial history, contains many revolutionary battlefields and was the site of George Washington's famous Delaware River crossing.

Financial Need and Indicative Solution

In late 1998, in anticipation of future development, Mercer County needed a mechanism to coordinate and finance transportation infrastructure improvements in regional growth areas. The county, municipalities, and landowners cooperated in a comprehensive land use/transportation study for the county's I-95/295 corridor—an area that was under tremendous development pressure.

The study, which determined the corridor's development densities and infrastructure needs, generated a report that formed the basis for New Jersey's first Transportation Development District (TDD). In a TDD, developers pay their fair share of the costs for transportation improvements necessitated by their development.

Transportation Development District

On April 2, 1990, the New Jersey Department of Transportation (NJDOT) designated the county's I-95/295 corridor as a TDD. From that date onward, any county, in cooperation with NJDOT, could establish TDDs to assess development fees for transportation improvements. The TDD plan was approved by NJDOT in October 1992 and the following month Mercer County adopted it by ordinance. It was New Jersey's first TDD.

TDD plans identify transportation infrastructure improvements that will be needed to support anticipated development and describe in detail how the TDD will achieve its goals. These are primarily maintaining acceptable traffic flows, protecting quality of life for existing residents, and making single-occupancy vehicle alternatives more attractive. The plans prioritize the improvements, allocate a public and private sector share of the costs, and establish a fee. All developments within the TDD are required to pay the fee, which must be reasonably related to the added traffic growth attributable to the development.

Fees are deposited in a TDD trust fund and may be used for any improvement identified in the TDD plan. These include items such as preliminary and final designs, construction, land and easement acquisition, landscaping, construction management, public transportation projects, wetlands mitigation or replacement, permit costs, environmental cleanup, and utilities.



Mercer County's TDD fee amounts are based on a development's trip generation, per the Institute of Transportation Engineers Trip Generation Manual. If the projected trips exceed plan estimates by more than 10 percent or 100 peak-hour trips and the county determines this necessitates additional improvements, the base per-trip fee is set for the development's first building or phase. The fee for the remainder of the development is set when the plan is amended with the improvements.

Fees are assessed when a development receives preliminary approval from the municipal approval authority or, if the municipality has not enacted an ordinance requiring development approval, when its construction permit is issued. If the development will be constructed in phases or there is a substantial modification after the preliminary approval, the fee is assessed during the approval of each phase or at the time of modification. If the development received preliminary plan approval before adoption of the TDD ordinance and final approval was not obtained within three years of its preliminary approval, the fee is assessed at the final approval. If a development is only partially within a TDD district, it must still pay the entire fee. Developers are first notified about the TDD fee by the municipal administrative officer, and within 30 days a written notice of assessment is sent to them with the fee amount, a requirement for a fee binder agreement within 60 days, and other information.

If they meet specified criteria, developers are allowed to contract and pay for transportation improvements in lieu of fees. For example, the improvement must be contemplated within the TDD plan and, if the costs are less than the assessed fee, the difference must be paid to the TDD. Right-of-way can also be donated, with restrictions, in lieu of fees.

Thanks to the revenue from TDDs, Mercer County's infrastructure will keep up with increased traffic demands, which will help spur more development and economic growth without compromising access or quality of life.

Resources:

[Mercer County - About, History and Community Life](#)

[Mercer County - Transportation Development District](#)

[New Jersey Legislative Report - Regional Intergovernmental Transportation Coordinating Study Commission \(RITCSC\)](#)

[Mercer County - Chapter 5.02 Transportation Development District](#)